



STATE OF TENNESSEE  
DEPARTMENT OF REVENUE  
ANDREW JACKSON STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37242

**SALES AND USE TAX ON SINGLE ARTICLES  
OF TANGIBLE PERSONAL PROPERTY**

**FEBRUARY 11, 2003**

Tennessee Code Annotated Section 67-6-702 and Revenue Rule 1320-5-2-.06 provide for a maximum local option sales or use tax on articles of tangible personal property as defined in these provisions.

Generally, the maximum upon which the local option sales or use tax will apply is \$ 1,600 dollars times the local tax rate. For example, if the county has a 2.25% local option tax rate, the local tax calculation would be  $2.25\% \times \$ 1,600 = \$ 36.00$ . However, some counties have different rates, and a few have lower maximum amounts. The maximum local option tax base appears on Line 10 of the sales and use tax return for each location, except for out-of-state sales and use tax returns.

Generally, a "single article" of tangible personal property is defined as any unit, exclusive of any accessories, extra parts, etc., and that which is capable of being sold as an independent unit, or as a common unit of measure, a regular billing, or other obligation. Examples are motor vehicles, boats, televisions, large machinery and equipment, etc., or anything that is preassembled and self-contained from the manufacturer. Invoice totals or line item entries containing many units are not single articles. A lease of one article is considered a single article for maximum local tax purposes.

There is one city that has the \$ 1,600 maximum that is within a county that has the \$ 7.50 maximum single article amount. That city is Morristown (Hamblen County).

**FOR MOTOR VEHICLE, BOAT, AND FACTORY MANUFACTURED HOME DEALERS ONLY:** Dealer installed accessories for motor vehicles, boats, and factory manufactured homes are specifically named in the law as part of the single article and will not be taxed separately on the local option tax. However, dealer installed accessories on other single articles, such as machinery and equipment, airplanes, etc., will not be considered as part of the single article and will be taxed separately on the local option tax. A boat trailer is considered to be a separate single article.

Extended warranties, repair, and maintenance agreements on tangible personal property are taxable services, not a part of the single article of tangible personal property and will be taxed separately.

If you have any questions, you may call any of our **HELP NUMBERS:**

Chattanooga	(423) 634-6266	Knoxville (865) 594-6100
Jackson	(731) 423-5747	Memphis (901) 213-1400
Johnson City	(423) 854-5321	Nashville (615) 253-0600

Tennessee residents outside the Nashville calling area may call our statewide toll-free number at 1-800-342-1003. Callers from Nashville or out-of-state may dial (615) 253-0600.

**LOCAL SALES TAX BASE FOR SINGLE ARTICLES AND EFFECTIVE DATES**

COUNTY	EFFECTIVE	BASE	RATE	TAX CAP	COUNTY	EFFECTIVE	BASE	RATE	TAX CAP
ANDERSON*	May-87	\$1,600	2.25%	\$36.00	LAUDERDALE	Jan-95	\$1,600	2.75%	\$44.00
BEDFORD	Aug-01	\$1,600	2.75%	\$44.00	LAWRENCE	Mar-96	\$1,600	2.75%	\$44.00
BENTON	Jan-97	\$1,600	2.75%	\$44.00	LEWIS	Jul-97	\$1,600	2.50%	\$40.00
BLEDSE	Feb-91	\$1,600	2.25%	\$36.00	LINCOLN	May-92	\$1,600	2.50%	\$40.00
BLOUNT	Aug-83	\$1,600	2.25%	\$36.00	LOUDON*	Jul-98	\$1,600	2.00%	\$32.00
BRADLEY	Oct-91	\$1,600	2.25%	\$36.00	MCMINN	Aug-83	\$1,600	2.00%	\$32.00
CAMPBELL*	Sep-83	\$1,600	2.25%	\$36.00	MCNAIRY	Sep-83	\$1,600	2.25%	\$36.00
CANNON	Sep-83	\$1,600	1.75%	\$28.00	MACON	Oct-83	\$1,600	2.25%	\$36.00
CARROLL*	Oct-97	\$1,600	2.75%	\$44.00	MADISON	Oct-83	\$1,600	2.75%	\$44.00
CARTER	Oct-88	\$1,600	2.25%	\$36.00	MARION	Oct-84	\$1,600	2.25%	\$36.00
CHEATHAM*	Oct-83	\$1,600	2.25%	\$36.00	MARSHALL	Dec-83	\$1,600	2.25%	\$36.00
CHESTER	Jun-95	\$1,600	2.75%	\$44.00	MAURY	Aug-83	\$1,600	2.25%	\$36.00
CLAIBORNE	Oct-83	\$1,600	2.25%	\$36.00	MEIGS	Oct-83	\$1,600	2.00%	\$32.00
CLAY	Nov-99	\$1,600	2.75%	\$44.00	MONROE	Sep-83	\$1,600	2.25%	\$36.00
COCKE	Mar-88	\$1,600	2.75%	\$44.00	MONTGOMERY	Jan-89	\$1,600	2.50%	\$40.00
COFFEE	Aug-88	\$1,600	2.00%	\$32.00	MOORE	Sep-88	\$1,600	2.50%	\$40.00
CROCKETT	Jun-96	\$1,600	2.75%	\$44.00	MORGAN*	Sep-83	\$1,600	2.00%	\$32.00
CUMBERLAND	Sep-99	\$1,600	2.75%	\$44.00	OBION	May-00	\$1,600	2.75%	\$44.00
DAVIDSON	Oct-83	\$1,600	2.25%	\$36.00	OVERTON	Aug-97	\$1,600	2.50%	\$40.00
DECATUR	Feb-98	\$1,600	2.50%	\$40.00	PERRY	Jan-98	\$1,600	2.50%	\$40.00
DEKALB	Dec-83	\$1,600	1.50%	\$24.00	PICKETT	Jan-99	\$1,600	2.75%	\$44.00
DICKSON	Oct-01	\$1,600	2.75%	\$44.00	POLK	Mar-84	\$1,600	2.25%	\$36.00
DYER	Apr-01	\$1,600	2.75%	\$44.00	PUTNAM	Jul-99	\$1,600	2.75%	\$44.00
FAYETTE	Sep-83	\$1,600	2.25%	\$36.00	RHEA	May-88	\$1,600	2.25%	\$36.00
FENTRESS	Oct-92	\$1,600	2.50%	\$40.00	ROANE*	Sep-83	\$1,600	2.50%	\$40.00
FRANKLIN	Oct-86	\$1,600	2.25%	\$36.00	ROBERTSON	Jul-84	\$1,600	2.25%	\$36.00
GIBSON*	Nov-83	\$1,600	2.25%	\$36.00	RUTHERFORD	Jul-00	\$1,600	2.75%	\$44.00
GILES	Jul-98	\$1,600	2.50%	\$40.00	SCOTT	Nov-84	\$1,600	2.25%	\$36.00
GRAINGER	Jul-94	\$1,600	2.75%	\$44.00	SEQUATCHIE	Jul-88	\$1,600	2.25%	\$36.00
GREENE	May-00	\$1,600	2.75%	\$44.00	SEVIER	Oct-91	\$1,600	2.50%	\$40.00
GRUNDY	Sep-77	\$333	2.25%	\$7.50	SHELBY	Sep-83	\$1,600	2.25%	\$36.00
HAMBLEN	Oct-86	\$300	2.50%	\$7.50	SMITH	May-00	\$1,600	2.75%	\$44.00
HAMILTON	Aug-83	\$1,600	1.75%	\$28.00	STEWART	Nov-99	\$1,600	2.25%	\$36.00
HANCOCK	Jan-83	\$375	2.00%	\$7.50	SULLIVAN*	Sep-83	\$1,600	2.25%	\$36.00
HARDEMAN	Jul-02	\$1,600	2.75%	\$44.00	SUMNER	Oct-83	\$1,600	2.25%	\$36.00
HARDIN	Nov-97	\$1,600	2.50%	\$40.00	TIPTON	Sep-83	\$1,600	2.25%	\$36.00
HAWKINS	Oct-88	\$1,600	2.75%	\$44.00	TROUSDALE	Dec-83	\$1,600	2.25%	\$36.00
HAYWOOD	Oct-98	\$1,600	2.75%	\$44.00	UNICOI	Oct-94	\$273	2.75%	\$7.50
HENDERSON	Oct-97	\$1,600	2.75%	\$44.00	UNION	Oct-88	\$333	2.25%	\$7.50
HENRY	Aug-88	\$1,600	2.25%	\$36.00	VAN BUREN	Jan-90	\$1,600	2.75%	\$44.00
HICKMAN	Sep-83	\$1,600	2.25%	\$36.00	WARREN	Aug-83	\$1,600	2.00%	\$32.00
HOUSTON	Oct-86	\$1,600	2.75%	\$44.00	WASHINGTON	Jul-94	\$1,600	2.50%	\$40.00
HUMPHREYS	Jul-95	\$1,600	2.25%	\$36.00	WAYNE	Oct-98	\$1,600	2.75%	\$44.00
JACKSON	May-00	\$1,600	2.75%	\$44.00	WEAKLEY	Jul-98	\$1,600	2.75%	\$44.00
JEFFERSON	Sep-83	\$1,600	2.25%	\$36.00	WHITE	Sep-83	\$1,600	2.25%	\$36.00
JOHNSON	Nov-87	\$1,600	1.50%	\$24.00	WILLIAMSON	Apr-91	\$1,600	2.25%	\$36.00
KNOX	Jul-83	\$1,600	2.25%	\$36.00	WILSON	Nov-93	\$1,600	2.25%	\$36.00
LAKE	Mar-97	\$1,600	2.75%	\$44.00					

State imposed limit on the local sales tax base, first of: \$667 (7/83); \$889 (7/84); \$1,100 (7/85); and \$1,600 (4/90)